

Advisory Board Meeting Minutes

The Residential Ratepayers Advisory Board (“the Board”) held a meeting on July 18, 2005 at the Office of Consumer Advocate. The meeting started at 2:10 p.m.

Present for the Board were:

Larry Kelly, Chair
Larry Ross
Jeff MacGillvray
Rick Russman
Ross Doerr
Ed Brueggeman

Present for the Office of Consumer Advocate (“OCA”) were:

Anne Ross, Consumer Advocate
Kenneth Traum, Assistant Consumer Advocate
Steve Merrill, Utility Analyst
Christina Martin, Legal Assistant

Quorum

Larry K. declared a Quorum.

Larry K. introduced Steve Merrill as the new member of the OCA team. Steve gave a brief history of his background and experience in the industry.

Agenda:

1. **Minutes of June meeting**

Larry K. asked for approval of the minutes of the June 6, 2005 Board Meeting. Jeff noted a correction to a statement he made under item number 3 of the agenda, Alternative Regulation. The minutes were approved with the changes incorporated.

2. **Alternative Regulation for Verizon**

Anne began the discussion by addressing the attachment provided to the Board. The attachment addresses the Issues and Approaches regarding the subject. Steve continued the discussion about rate trends in neighboring jurisdictions, he provided the Board with handouts of his findings. Steve explained where he got his data and how he compiled the information. Steve then summarized his findings for the Board. Discussion ensued about the information provided and the end results for NH. As the alternative regulation discussion grew, HB 194 came up because of its relevance to alternative regulation possibilities. The Board then continued to discuss HB 194 and the VZ alternative regulation issue and how these two options could affect NH ratepayers. The Board also addressed the strategy for the OCA on the two subjects. The history of VZ in various states after alternative regulation was implemented was

also a key part in this discussion. In NH VZ is already below standards with their quality of service. The standards came out of the merger docket of Bell Atlantic and GTE.

The Board moved that the OCA push for a rate case for VZ before any alternative regulation can be discussed further. Motion approved.

3. **LICAP**

Anne started the discussion on Location Installed Capacity (LICAP) by stating that she and Ken went to Washington to provide information to the New England Congressional delegation. The outcome of this visit led to positive efforts from the Congressional Delegates as well as the end user and supplier Coalition the OCA is involved in. The Board discussed how the LICAP proposal will work, where the money goes and what alternative plan the OCA and others may push for. Ken also explained that with all the efforts made to slow down this LICAP proposal and look at alternatives we are somewhat optimistic that FERC will consider alternative proposals.

4. **Legislative Update and Addendi**

In order to accommodate the speakers the Board had for 3:30 we briefly looked at the legislative update and Addendum. The Board was asked if any questions or comments were needed. Hearing none the representatives from RCC were welcomed in.

5. **Presentation of Rural Cellular Corporation**

The presentation began at 3:34 with handouts passed out to the Board. The presenters were Tina LaTorre, Sales Project Manager and Joshua Palmer, Data Account Executive. Ms. LaTorre began her presentation with a brief overview of RCC and then led into a discussion regarding the phone features they provide for disabled people, more specifically people with vision loss. In their presentation they also mentioned that RCC is the first wireless provider to be granted Eligible Telecommunications Carriers (ETC) status in both the States of Maine and Vermont.

Ms. LaTorre then explained the significance of the ETC status. The ETC status allows them to participate in the federal universal service fund which provides support to carriers in rural areas for the provision, maintenance and upgrading of facilities. It also allows them to offer Lifeline/Link Up credits to qualifying consumers. Discussion then ensued regarding the phones that offer the special software "Beyond Sight" and the costs and particulars of such. RCC is still in negotiations with Beyond Sight. Once negotiations are finalized we will get an update.

Items the OCA will be getting back to the board with are:

- How much is a full blown rate case with VZ going to cost?
- How did VT arrive at the conclusion that VZ had overearnings of \$23

million?

- Jeff suggested that someone should look into Value Line – 7 baby bells – profits went way up immediately after divestiture.
- What is the process regarding eligibility of becoming ETC?

Meeting adjourned at 4:14 pm.

Next meeting is to be rescheduled to September 12.